

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 416 - HB 1674**

March 30, 2009

**SUMMARY OF BILL:** Requires the Division of Mental Retardation Services (DMRS) to fill the new beds at the intermediate care facilities for persons with mental retardation (ICF/MR) with persons from the developmental centers or the wait list.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Net Impact - \$2,424,300**

**Increase Federal Expenditures – Net Impact - \$6,949,600**

**Assumptions:**

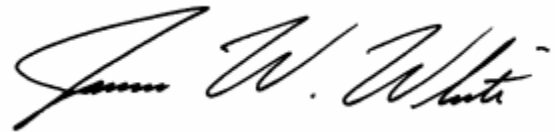
- Pursuant to Tenn. Code Ann. § 71-5-105(b)(2), since July 1, 2006, the total number of ICF/MR beds has been increasing by 40 per year for a total of 160 additional beds that have been filled with individuals from the developmental centers.
- This bill will authorize DMRS to choose individuals from the developmental centers or the waiting list to fill the remaining new beds.
- According to DMRS, there is a planned transfer of 32 individuals currently at the Clover Bottom Developmental Center to a new private ICF/MR in FY09-10.
- The average cost per day at Clover Bottom is \$802.56. The estimated inpatient rate for private ICF/MR beds is \$503.56 per day resulting in a difference of \$299 per day. The estimated total savings to transfer the 32 individuals is estimated at \$3,492,320 (32 x \$299 x 365 days).
- The individuals on the DMRS waiting list are individuals who are waiting for Home - and Community - Based Services (HCBS). Given the option, these individuals will choose the ICF/MR placement rather than waiting on an opening in an HCBS program.
- The estimated cost for 32 new ICF/MR service recipients is \$5,881,581 (32 x \$503.56 per day x 365).
- The total estimated net impact on expenditures is \$9,373,901 (\$3,492,320 in unrealized savings + \$5,881,581 in new service recipients).

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- Of the \$9,373,901 in expenditures, \$2,424,278 will be state funds at a rate of 25.862 percent and \$6,949,623 will be federal funds at a rate of 74.138 percent.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/kml